

**UNITED STATES OF AMERICA  
NATIONAL CREDIT UNION ADMINISTRATION  
Alexandria, Virginia**

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In the Matter of )

THERESA PALUMBO, )

Respondent. )  
\_\_\_\_\_

) NCUA Docket No. 03-0803-I  
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**FINAL ORDER OF PROHIBITION**

WHEREAS respondent THERESA PALUMBO ("Respondent"), former manager of Matteawan Federal Credit Union, charter no. 903, located in Beacon, N.Y. ("the Credit Union"), was an "institution-affiliated party" of that credit union, as defined by 12 U.S.C. §1786(r);

WHEREAS on March 13, 2003, Respondent pled guilty to one felony count of credit union embezzlement, 18 U.S.C. §657, and one felony count of credit card fraud, 18 U.S.C. §1029(a)(5), and the U.S. District Court for the Southern District of New York entered a judgment of guilty against her. See "Judgment of Conviction" filed March 13, 2003 in United States v. Palumbo, 02 Cr. 1407-01 (S.D.N.Y.) (attached hereto);

WHEREAS a violation of 18 U.S.C. §657 and 18 U.S.C. §1029(a)(5) each is a crime involving dishonesty or breach of trust which is punishable by imprisonment for a term exceeding one year;

WHEREAS on March 13, 2003, Respondent was sentenced for those offenses to concurrent terms of eighteen (18) months in prison, followed by supervised release for a term of thirty-six (36) months, and ordered to pay restitution in the amount of \$152,906;

WHEREAS the NCUA Board finds that Respondent's service to or participation in the conduct of the affairs of a federally-insured credit union may pose a threat to the interests of the members of such credit union or may threaten to impair public confidence in such credit union; and

WHEREAS the NCUA Board has delegated authority to Regional Directors of the NCUA to issue an Order on its behalf when such Order is based upon a criminal conviction.

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. THERESA PALUMBO is prohibited from participating in any manner in the conduct of the affairs of any federally-insured credit union, and from continuing or commencing to hold any office, or participate in any manner, in the conduct of the affairs of any insured depository institution; any institution treated as an insured bank under 12 U.S.C. §1818(b)(3) or (4), or as a savings association under 12 U.S.C. §1818(b)(8); any insured institution chartered under 12 U.S.C. §2001 et seq.; any appropriate Federal depository institution regulatory agency; the Federal Housing Finance Board and any Federal home loan bank; and the Resolution Trust Corporation. See 12 U.S.C. §1786(g)(7)(A);

2. The “Judgment of Conviction” filed March 13, 2003 in United States v. Palumbo, 02 Cr. 1407-01 (S.D.N.Y.) against THERESA PALUMBO filed March 13, 2003, is made a part hereof and is incorporated herein by reference; and

3. This Final Order of Prohibition shall be effective and enforceable on the date of set forth below.

